Sustainable Development at Allianz

Nomura European SRI Conference
Paris, 23rd May 2013
1 About Allianz
2 Sustainability strategy and management
3 Sustainability performance
4 Further information
Key figures at a glance

EUR **106.4bn** total revenues
EUR **1,934bn** AuM
EUR **9.5bn** operating profit
**183%** FCD solvency ratio
EUR **48.3bn** market cap
Approximately **78mn** customers
Present in over **70** countries

Split of revenues, operating profit and customers

1) Figures as per 12M 2012
2) As of March 31, 2013
3) Adjusted operating profit of 2012 EUR 9.2bn after the classification of restructuring costs as operating, reflected in the split
4) Customer figures including non-consolidated companies
5) Allianz Global Corporate & Specialty, Euler Hermes, Mondial Assistance, ART
About Allianz

Strong market positions and brands

- Leading P/C insurer globally
- Top 5 in Life business globally
- Top 5 asset manager globally
- Largest global assistance provider
- Worldwide leader in credit insurance
- One of the leading industrial insurers globally
- Building the leading global automotive provider

1) All rankings based on 2012 data
About Allianz

Strong results in 2012 ...

Operating profit 2012 (EUR bn)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Actual 2012</th>
<th>Target Range 02/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>P/C</td>
<td>4.7</td>
<td>4.0 - 5.0</td>
</tr>
<tr>
<td>L/H</td>
<td>3.0</td>
<td>2.2 - 2.8</td>
</tr>
<tr>
<td>AM</td>
<td>3.0</td>
<td>2.0 - 2.4</td>
</tr>
<tr>
<td>Co. &amp; Con.</td>
<td>-1.1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9.5</td>
<td>7.7 - 9.0</td>
</tr>
</tbody>
</table>

- CR 96.3%
- Low NatCat
- Total AuM up 11.8%
- Higher investment margin
- Strong net inflows
- Higher performance fees
- As expected

Outlook increased to > 9bn in 10/12
... and in 1Q13 as well ...

Group

- Growth
  - Growth: +6.6%

- Operating profit
  - Operating profit: 2.8 EUR bn

- Net income
  - Net income: 1.7 EUR bn

- Dividend
  - Dividend: 4.50 EUR

Segments

- P/C CR
  - P/C CR: 94.3%

- L/H NBM
  - L/H NBM: 1.8%

- AM CIR
  - AM CIR: 52.9%

Capital

- External solvency
  - External solvency: 183%

- Internal solvency
  - Internal solvency: 208%

Rating

1) Grey hands show previous year’s values / values end of 2012 in case of capital figures
2) Shareholders’ net income
3) Dividend paid in 2013 for FY2012
4) According to Financial Conglomerates Directive
5) According to Standard & Poor’s
### About Allianz

... being well on track to meet the outlook for FY2013

#### Operating profit (EUR bn)

<table>
<thead>
<tr>
<th></th>
<th>1Q 2013</th>
<th>Outlook(^1) published 02/13</th>
<th>1Q 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>P/C</td>
<td>28%(^2)</td>
<td>1.3</td>
<td>4.3 – 5.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L/H</td>
<td>31%(^2)</td>
<td>0.9</td>
<td>2.5 – 3.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AM</td>
<td>31%(^2)</td>
<td>0.9</td>
<td>2.7 – 3.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>20%(^2)</td>
<td>-0.2</td>
<td>-1.1 – -1.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>30%(^2)</td>
<td>2.8</td>
<td>9.2 +/- 0.5</td>
</tr>
</tbody>
</table>

- **Benign NatCat**
- **CR 94.3%**
- **Revenue growth 8.3%**
- **Robust investment margin**
- **Total net inflows of EUR 43bn**
- **CIR 52.9%**
- **As planned**
- **Please mind the seasonality of the business and our disclaimer\(^3\)!**

---

1) For FY 2013
2) As % of target range mid-point
3) Disclaimer: impact from NatCat, financial markets and global economic development not predictable!
Excellent ratings

- **S&P**
  - **Allianz**
  - Stable outlook
  - Upgraded in July 2007
  - Outlook improved to “stable” in March 2013
  - Report of March 2013:
    - capital adequacy: “very strong level commensurate with a AA rating”
    - “very strong competitive position, reflecting very strong segmental and geographic diversity in revenues and profits”
    - “very favorable risk-return profile of asset management operations”

- **Moody’s**
  - **Allianz**
  - Negative outlook
  - Rating on Aa3 level since July 2003
  - Report of May 2013:
    - “Very strong franchise”
    - “very large diversification”
    - “good capitalization and financial flexibility”
  - Outlook negative since February 2012 due to Euro-zone risks and possible consequences for Allianz Group

- **A.M. Best**
  - **Allianz**
  - Stable outlook
  - Rating on A+ level since March 2003
  - Report of April 2013:
    - “very strong business profile”
    - “very high degree of diversification”

---

1) Financial strength ratings as of May 17, 2013
2

1  About Allianz
2  Sustainability strategy and management
3  Sustainability performance
4  Further information
Sustainability at Allianz: managing the risks and sizing the opportunities to ensure sustainable and profitable growth

**ESG risk management**
- Managing sustainability risks and safeguarding reputation
  (e.g. natcat risks)

**ESG opportunity management**
- Sizing the opportunities and creating shared value
  (e.g. green products)

**Philanthropy**
- Supporting the communities we operate in
  (e.g. Allianz Environmental Foundation)

The three dimensions of Allianz’ approach to sustainability

**Risks:** We are managing ESG risks as part of our core business processes, as a large insurer and institutional investor, risk management is our core competency.

**Opportunities:** We are seizing commercial growth opportunities social and environmental considerations create.

**Philanthropy:** With a presence in around 70 markets globally we take our responsibility towards society seriously, we use our core competencies to address critical social and environmental needs.
We take an integrated approach to managing sustainability in the business

- Support the Group Board on strategic decisions relating to sustainability; direct reporting line
- Manage the strategic framework for Group-wide sustainability activities, develop relevant policies
- Support functional departments and operating entities in implementing the Group’s strategic approach into business processes and operations
- Knowledge hub facilitating best practice exchange across the Group

**Group-level sustainability centers of competence**

- **Allianz Board of Management**
  - Direct responsibility with the Board of Management; new ESG Board headed by M. Zimmerer (investments), J. Ralph (3rd party asset management), C. Booth (insurance)

- **ESG Office**

- **Group-level functional departments**
  - Group-level functional departments such as HR, risk management and procurement, as well as operating entities and global lines assume responsibility for operational sustainability management

- **Local entities and global lines**

---

© Allianz SE 2013
Allianz’ sustainability agenda driven by materiality

Allianz materiality landscape

Issues are often directly or indirectly linked, we want to make the complexity transparent and comprehensible

- Regular identification, prioritization and validation of issues of material importance
- Material sustainability issues determined by our business model and stakeholder expectations
- Regularly engagement with stakeholder groups at global and local levels to understand their expectations and concerns
- Understanding of materiality is also informed by international standards and guidelines for sustainability
- We communicate in a transparent way to our stakeholders how the issues impact on our business and our activities, and our response to them
The four dimensions of Allianz’ sustainability strategy: our EESG approach

Sustainable development at Allianz means combining long-term economic value creation with a holistic approach to environmental stewardship, social responsibility and corporate governance.

**Economic**
- Customer satisfaction and brand value
- Renewable energy & carbon investments
- Green products & services
- SRI
- Microinsurance

**Environmental**
- Carbon reduction strategy & target
- Environmental footprint

**Social**
- Diversity
- Compensation
- Employee training & development
- Employee satisfaction
- Corporate donations
- Employee volunteering

**Governance**
- Corporate governance
- Compliance training & programs
- Lobbying activities & political donations
The economic dimension of sustainability

Customers
- More satisfied customers compared with peers in 55% of our markets, Allianz loyalty leader in 30% (2011: 28%) of our markets

Products and services
- More than 130 green products and services offered from asset management to insurance
- India was the biggest growth market for microinsurance in 2012 with an increase of 11.7mn customers
- SRI now represents 4% of 3rd party investments, AuM greatly increased due to the inclusion of PIMCO SRI in reporting

Own investments
- Renewable energy portfolio includes over 40 wind and solar parks in Europe, further expansion planned

Net promoter score [% of markets]
- 2010: 46, 2011: 52, 2012: 55 (increase of 9%)

Microinsurance customers [million]
- 2010: 3.8, 2011: 3.9, 2012: 17.1 (increase of 350%)

Investments renewable energy [EUR bn]
- 2010: 1.0, 2011: 1.3, 2012: 1.3 (+30%)

Investments SRI funds [EUR bn]¹
- 2010: 3.1, 2011: 3.4, 2012: 49.1 (64.4)

¹) Data not comparable due to the inclusion of Pimco in 2012

© Allianz SE 2013
Reducing our environmental impact is one pillar of our climate change strategy

Carbon footprint

- 36% reduction of CO₂ per employee since 2006
- CO₂ reduction driven by lower carbon intensity of paper and energy and reduction km travelled
- Allianz carbon neutral since 2012, 175,000 credits from own projects, remaining footprint neutralized by credits from the carbon market

Key figures

- New energy target: -10% from 2010 levels by 2015
- Energy from renewable sources accounts for 45% of total energy consumption
- Share of recycled paper: 40%; share of FSC¹ paper: 33%
- Environmental management system covers over 80% of employees worldwide

Environmental
Sustainability performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions per employee [metric tonnes]</td>
<td>2.7</td>
<td>2.5</td>
<td>2.4</td>
<td>24.3</td>
<td>22.3</td>
<td>22.3</td>
</tr>
<tr>
<td>Energy consumption per employee [GJ]</td>
<td></td>
<td></td>
<td></td>
<td>-11.4%</td>
<td>-8.3%</td>
<td></td>
</tr>
<tr>
<td>Paper consumption per employee [kg]</td>
<td>143</td>
<td>138</td>
<td>142</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business travel per employee [km]</td>
<td>6588</td>
<td>6719</td>
<td>6457</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Forest Stewardship Council
Focus on people – enhancing diversity, skills, engagement & helping local communities

Employees
- 144,094 employees globally, of which 52% are female and 48% male, 77% are located in Europe
- Increasing share of females managers and women in executive positions
- Intensified trainings: 64% of employees and 70% of managers underwent at least one training session

Corporate citizenship
- EUR 20mn donated for social, cultural and environmental issues
- Financial literacy program reached more than 100,000 pupils in Germany in 2012
- 49 employees from 19 different Allianz subsidiaries volunteered for social OPEX and supported 16 projects / social organizations

1) Women at all executive positions below the Board of Management
2) Women functionally responsible for other staff, regardless of level, e.g. division, department and team managers
Pursuing highest corporate governance standards

ESG governance

- Establishment of the environmental, social, and governance (ESG) Board in 2012 consisting of 3 Board members to further strengthen the integration of environmental, social and governance issues in insurance and investment activities
- The ESG Board holds responsibility for further driving our strategic framework, and defining policies and minimum standards across the Group

Political engagement

- Transparency on donations to political parties
- Commitment to collaborate on sustainability issues: Allianz Forum in Berlin hosted over 50 events in 2012 with a total of over 6,000 people attending

Compliance management

- The implementation and maintenance of the Allianz anti-corruption program, which is compulsory for all employees, continued in 2012. Employee training sessions were held worldwide in classrooms and online in more than 20 languages.
- A Group-wide compliance quality assurance program was rolled out in 2012, which verifies the implementation and effectiveness of the Allianz compliance management system across the Group, including the anti-corruption program
- Allianz is recognized as being one of the world’s most transparent multinational companies. In the 2012 Transparency International corporate reporting ranking, we came 10th out of the 105 largest publicly-listed companies
Allianz’ sustainability performance continually recognized – all aspects presented in the annual & sustainability reports

- Included since 2000
- Recognized as leader in several areas, e.g., brand management, risk detection, access to finance
- Global #2 2008-2012; RobecoSAM silver class

- Included since 2001, one of the longest-standing FTSE4Good companies
- Special recognition for Allianz’s code of ethics and excellent environmental policy

- Allianz rated best in class (“prime status”)
- Allianz received particularly high scores for environmental management, eco-efficiency, corporate governance and business ethics

- Founding signatory (2002) and member since 2009
- Global insurance sector leader and 8th overall in 2012 ranking; inclusion in the global carbon disclosure & performance leadership indices
We are offering and working on developing new products and services for our customers to help them mitigate the effects of climate change and manage their own environmental impact, e.g., Allianz RCM Global EcoTrends Fund, Smart Repair.

In 2012, the number of “green” products and services offered by Allianz increased to over 130.
Expanding the renewable energy portfolio

- EUR 1.3bn investments in renewable energy projects in 2012 including over 40 wind and solar parks in Europe
- Purchase of 4 wind parks in Germany and France in 2012
- Further investments planned on an opportunistic basis
Offering microinsurance to more than 17mn customers generating revenues of EUR 79mn

- **Mali** (since 06/2011)
  - Agro-index

- **Senegal** (since 03/2008)
  - Credit life insurance

- **Colombia** (since 11/2007)
  - Family life & maternity
  - Home business insurance
  - Accident & dental assistance

- **Ivory Coast** (since 10/2009)
  - Funeral insurance
  - Mobile savings
  - Mobile funeral

- **Burkina Faso** (since 02/2011)
  - Credit life & agro-index

- **Cameroon** (since 03/2008)
  - Credit life insurance

- **India** (since 03/2004)
  - Savings-linked life insurance
  - Cattle insurance
  - Accident insurance
  - Credit life insurance

- **Egypt** (since 06/2007)
  - Credit life insurance

- **Malaysia** (since 07/2011)
  - Motorcycle & accident insurance

- **Indonesia** (since 09/2006)
  - Credit life insurance

- **Madagascar** (since 03/2008)
  - Credit life insurance
  - Mobile accident

Further information
Reducing CO₂ in internal operations and achieving carbon neutrality

Carbon reduction strategy is based on the following levers: first to avoid and reduce emissions, second to substitute lower-carbon alternatives, and finally to neutralize remaining emissions through direct investment in carbon projects.

Three levers of our carbon reduction strategy:

- Avoidance & reduction:
  - Energy
  - Travel
  - Paper

- Substitution:
  - Green electricity
  - Recycled paper
  - Green vehicles

- Neutralization:
  - Direct carbon investments

Target -35% CO₂ footprint:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER</td>
<td>0.2</td>
</tr>
<tr>
<td>PAPER</td>
<td>3.6</td>
</tr>
<tr>
<td>TRAVEL</td>
<td>36.7</td>
</tr>
<tr>
<td>WASTE</td>
<td>1.9</td>
</tr>
<tr>
<td>ENERGY</td>
<td>57.6</td>
</tr>
</tbody>
</table>
Employee diversity: more women in leadership positions

Global target:
30% women in Group-wide executive talent pool

Women in executive positions\(^1\)

Female managers\(^2\)

Today
- 34% of all management positions
- 19% in executive positions

1) Including women at all executive positions below the Board of Management.
2) Including women functionally responsible for other staff, regardless of level, e.g. division, department and team managers.
We support and encourage volunteering among our employees, and the use of their expertise and competencies for the community’s benefit.

In the **social OPEX** initiative, trained Allianz employees apply business improvement tools to help socially committed organizations.

Their involvement contributes to pride and identify with our company, building skills and team development.
Community investment: structured involvement in the communities where we operate

- Through structured involvement with strategic partners in the communities where we operate, we support the development of effective solutions to address social concerns.
- In 2009, we launched the initiative My Finance Coach to take finance into schools; in 2012 we reached over 100,000 pupils across Germany and over 3,000 in Argentina, Indonesia, Malaysia and Thailand.
- Familiarizing young people with financial issues will help them to make better financial decisions now and in future.
We actively participate in international working groups for climate change, asset management and insurance, as part of the UNEP finance initiative.

Allianz promotes dialogue between the worlds of business, academia, politics and civil society through the Allianz Forum in Berlin.

A globally-acting, central department provides political issue management and government relations expertise for the Group.
Disclaimer

These assessments are, as always, subject to the disclaimer provided below.

Forward-looking statements
The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events) (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update
The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.